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Taxpayer lived and worked in Country A in Year 1. Due to the high rate of tax in Country A in comparison to the U.S. income tax rate, Taxpayer revoked his section 911 foreign earned income election on his Year 1 income tax return by taking a credit for the amount of the foreign taxes he paid to Country A. In Year 2, Taxpayer's employer relocated him to Country B. Country A's income tax rate for individuals is significantly higher than Country B's income tax rate for individuals. Taxpayer seeks permission to reelect for Year 2. Year 2 is within 5 years of Year 1.

Treas. Reg. §1.911-7(b) provides that if an individual revoked an election to exclude foreign earned income under section 911(a) and within five taxable years the individual wishes to reelect the exclusion, then the individual may apply for consent to the reelection by requesting a ruling from the Associate Chief Counsel (International). In determining whether to consent to a reelection, the Associate Chief Counsel (International) or his delegate may consider any facts and circumstances relevant to the determination. Relevant facts and circumstances may include a move from one foreign country to another foreign country with differing tax rates.

Accordingly, based solely on the information and representations set forth above, it is held that Taxpayer may reelect the section 911 foreign earned income exclusion for Year 2 and subsequent tax years. No opinion is expressed as to whether Taxpayer satisfied the requirements for the exclusion provided under section 911(a) of the Code.

A copy of this ruling letter should be attached to Taxpayer's federal income tax return for the relevant tax year.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Jeffery G. Mitchell
Branch Chief, Branch 2
(International)